REMARKS

Reconsideration and allowance are respectfully requested. Claims 1-19 and 21-25 are pending. Claims 1, 14, 16, 18, and 25 are independent.

Claim Rejections under 35 U.S.C. § 101

Claims 1-18, 21, 23 and 24 stand rejected under 35 USC 101 as allegedly being directed to non-statutory subject matter. Applicants traverse this rejection for at least the reason that claims 1-18, 21, 23 and 24 are directed to statutory subject matter.

The Court of Appeals for the Federal Circuit has stated that "it is improper to read limitations into Section 101 on the subject matter that may be patented...that Congress clearly did not intend..." *State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1373 (Fed. Cir. 1998). Based on such precedent, it is well established that there is no "business method" exception to statutory subject matter. As the Federal Circuit held in *State S.*:

> We take this opportunity to lay this ill-conceived exception to rest. Since its inception, the "business method" exception has merely represented the application of some general, but no longer applicable legal principle, perhaps arising out of the "requirement for invention"--which was eliminated by § 103. Since the 1952 Patent Act, business methods have been, and should have been, subject to the same legal requirements for patentability as applied to any other process or method.

In that case, the court stated that the transformation of data at issue, constituted a practical application (and thus directed towards statutory subject matter), because "it produc[ed] a useful, concrete, and tangible result..." *Id.* (internal quotes omitted).

In this case, Applicant submits that the subject matter of claims 1-18, 21, 23 and 24 are directed to statutory subject matter because, as in *State St.*, these claims produce "a useful, concrete, and tangible result." For example, among other things, claims 1-18, 21, 23 and 24 recite providing investors that have provided at least a threshold contribution to the fund with stock rights in the business entity to enable such investors to become shareholders in the business entity. At least this feature represents a useful, concrete, and tangible result. As such, this rejection of claims 1-18, 21, 23 and 24 must be withdrawn. Based on at least the foregoing, Applicant respectfully submits that the claims as presented do indeed comply with 35 U.S.C. § 101, and need not be amended to recite a computer.

Furthermore, according to MPEP § 2106, "Office personnel have had difficulty in properly treating claims directed to methods of doing business. Claims should not be categorized as methods of doing business. Instead, such claims should be treated like any other process claims, pursuant to [the Examination Guidelines for Computer-Related Inventions] when relevant."

Applicant's invention need not be implemented with a computer, as supported by Applicant's specification and the claims as originally filed. Thus, the Examination Guidelines for Computer-Related Inventions are not relevant to Applicant's claims. Moreover, Applicant's claims do indeed comply with 35 U.S.C. § 101, for they constitute "new and useful process[es]." (See MPEP § 706.03(a)). For example, page 2, lines 19-21 of Applicant's specification disclose that "[i]t is an object of the present invention to provide a method of operating a venture capital investment business that provides a unique opportunity for investors to participate in IPOs."

Applicant also respectfully points out that numerous issued U.S. patents include claims drawn to financial processes that do not recite a computer or similar processing means. See, just for example, U.S. Patent Nos. 6,567,790 ("Establishing and managing grantor retained annuity trusts funded by nonqualified stock options"); 6,292,788 ("Methods and investment instruments for performing tax-deferred real estate exchanges"; Primary Examiner: Vincent Millin); 6,542,875 ("Charitable and public funding using tax credits and passive losses"; Primary Examiner: Vincent Millin); and 6,493,681 ("Method and system for visual analysis of investment strategies"; Primary Examiner: Vincent Millin). In particular, claims 1-24 of the '790 patent are directed to methods for minimizing transfer tax liability, with no recitation of a computer or similar processing means. Similarly, claims 1-31 of the '788 patent are directed to real estate investment-related methods, with no recitation of a computer or similar processing means. Applicant's claims are within the genre of the '790 and '788 patent claims, and the claims of the other patents recited above, and are clearly eligible for patent protection.

For at least the above reasons, Applicant submits that the pending claims could not be properly rejected under 35 U.S.C. § 101.

Claim Rejections under 35 U.S.C. § 103

Claims 1-19 and 21-25 stand rejected under 35 U.S.C. § 103(a) as being obvious over Sanborn (US 2003/0028467) in view of Street (US 2002/0010669). Applicant traverses this rejection on the following basis.

Independent claims 1, 14, 16, 18 and 25 recite, among other things, providing the investors that have provided at least a threshold capital contribution to the fund with stock rights in the business entity to enable such investors to become shareholders in the business entity.

Sanborn is directed to a method of raising online venture capital in the private equity and debt markets via a broker dealer that creates private funds in an attempt to maximize the number of investors to provide a low per unit cost. The examiner alleges that Sanborn discloses providing investors that have provided at least a threshold capital contribution to the fund with stock rights in the business entity to enable such investors to become shareholders in the business entity (see page 4 of the November 30, 2004 office action). However, the portions of Sanborn cited by the examiner are directed to investing in professionally managed private equity funds (see Sanborn, paragraphs 0050 and 0053) and investing in equity issued by seed-stage companies (see Sanborn, paragraphs 0088-0092). At best, the professionally managed private equity funds and the equity issued by seed-stage companies correspond to the claimed portfolio entities. Thus, Sanborn is deficient because it fails to teach or suggest providing the investors that have provided at least a threshold capital contribution to the fund with stock rights in the *business entity* to enable such investors to become shareholders in the business entity.

The examiner acknowledges that Sanborn is deficient because it fails to teach or suggest a business entity securing a portion of IPO shares that become available in the portfolio entities and the business entity enabling shareholders thereof to purchase IPO shares among the portion of IPO shares secured by the business entity that become available in the portfolio entities. The examiner relies on Street for disclosing these features. Street is directed to a system and method of allocating IPO securities including publishing criteria for a customer's participation in a rights offering by an issuer, tracking purchases by the customer from the issuer, and allocating a portion of IPO securities to the customer based on the purchases (see the abstract of Street). Assuming arguendo that Street discloses the features alleged by the examiner, the combination of Street and Sanborn remain deficient because, both alone and in combination, they fail to teach or suggest providing the investors

that have provided at least a threshold capital contribution to the fund with stock rights in the *business entity* to enable such investors to become shareholders in the business entity.

For at least the above, independent claims 1, 14, 16, 18 and 25 are patentable over the cited references and the rejections under 35 U.S.C. § 103(a) should be withdrawn. Claims 2-13, 15, 17, 19 and 21-24 depend from corresponding ones of these independent claims and are at least allowable based on their dependency.

All rejections and objections have been addressed. It is respectfully submitted that the present application is now in condition for allowance, and a notice to that effect is earnestly solicited. Should there be any questions or concerns regarding this application, the Examiner is invited to contact the undersigned at the below-listed telephone number.

Respectfully submitted,
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Date: March 30, 2005
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